Robinhood Is Down (robinhood.com)

213 points by ericliuche 3 hours ago | hide | past | web | favorite | 214 comments

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chasingthewind 3 hours ago [-]

Matt Levine had some interesting (and funny!) insights the last time [0]

> It is well known that one of the best services a retail broker can provide is not answering the phones during a crash. The market is down, the customers panic, their timing is terrible, they want to sell at the bottom, they call you up to say "sell everything," you say "we're sorry all our representatives are assisting other customers, your call is important to us," they hang up and get distracted, the market rallies, they forget about selling, you have saved them a fortune, good work.

[0] https://www.bloomberg.com/opinion/articles/2020-03-03/robinh...

reply

crazygringo 2 hours ago [-]

I just feel for the smart investors calling up because they want to BUY everything... and can't get through :P

reply

totalZero 2 hours ago [-]

Buying the dip always feels intelligent in a bull market. In a bear market, it's not so wise.

The future is unknown to all of us. In some cases, looks are not deceiving. When the market appears to be on the cusp of freefall, it can in fact accelerate downward.

reply

simonh 52 minutes ago [-]

Indeed, if anyone things the Virus panic is as bad as it's going to get they're going to get some pretty rude shocks over the next few months.

Right now it really isn't that bad. I'm in London and going to work normally, the city is busy and the trains are still full in the mornings. Our company is starting to migrate people to working from home though. So a proportion of each team is wfh and staying there, for 14 days or until otherwise notified, and more will probably follow not because there is immediate danger, but because we want to be well prepared when there is.

If the markets are like this when there are a few hundred cases in the UK and US, what will they be like when there are tens, or hundreds of thousands of cases and major cities are in lockdown?

Back to investing, stocks are down significantly and it's quite possible now is a good time to start buying, for those with the capital. Maybe spreading out a balanced equity investment portfolio over the next several months. I don't know if or when the market might go lower, or by how much, but it seems unlikely it's going to rally all that much given that we can be pretty sure there's plenty more bad news still to come. So investing too much now might miss further falls, but IMHO buying over several months is unlikely to miss the dip. That's how I see it anyway.

reply

samdoidge 50 minutes ago [-]

> If the markets are like this when there are a few hundred cases in the UK and US, what will they be like when there are tens, or hundreds of thousands of cases and major cities are in lockdown?

Investors are trying to judge the likelihood of these very events and selling / buying accordingly. Markets are based on predictions.

reply

FireBeyond 32 minutes ago [-]

> Right now it really isn't that bad. I'm in London and going to work normally, the city is busy and the trains are still full in the mornings.

I flew from Seattle to San Francisco and back this weekend. In both cases, my "prime time" flights were less than 1/3 full. Returning yesterday, there was literally zero wait at bag check and security, I walked straight up to an agent. Haven't seen an airport like that in years, let alone a major.

reply

techopoly 1 hour ago [-]

Yes, nobody has a crystal ball. It always feels like other people do though.

It's good to make decisions with a sober view of risk and reward. I feel so much market advice that filters down to us laypeople is whether we should or should not buy or sell, when really it is all based on our level of risk tolerance, how much in terms of assets we have, what our time horizons are, what our expertise is. I would say a healthy young person with plenty of cash to burn might well look at buying stocks now. But a person nearing retirement, perhaps with health issues, they should probably board up and get ready for the storm. Most people below retirement age should probably just stop freaking out and keep contributing to their retirement plan as they (hopefully) have been doing, and make sure to have some cash on hand.

Our society does not do well with self-control or with gray areas. We want easy answers, which, unfortunately, don't usually exist.

reply

vsareto 1 hour ago [-]

>and make sure to have some cash on hand.

This is where the panic goes to though: they might have 2-3 months cash right now, but might feel like they need 12-24 months cash to ride things out. People start worrying they'll lose their jobs and then their runway is at the mercy of the market. If a significant chunk of your wealth is in your house, that isn't easy to get out of during a downturn. Your tolerance for risk goes even further down if you have a family. Even further if your spouse doesn't work.

These are rational decisions that look like panic selling.

Tech work is a field that likely won't have to worry about this though.

reply

dannylandau 1 hour ago [-]

You are making a fundamental mistake with your assumption that there is a clear distinction between laypeople and experts in the stock-market, there isn't. Money managers, mutual fund managers and hedge funds managers make terrible mistakes and lose money all the time, and are usually the 1st to panic. So, there is no such thing as an "expert" in the stock market.

reply

koonsolo 1 hour ago [-]

> It always feels like other people do though.

That's because you hear them when they are making gains, never when they are losing.

reply

jagged-chisel 1 hour ago [-]

Sounds like a case of survivorship bias. Is there a phenomenon more descriptive, or do I have it right?

reply

charliepark 38 minutes ago [-]

"Reporting bias" might be a little closer to the mark. https://en.wikipedia.org/wiki/Reporting_bias. Or, in current terminology, "the Instagram effect".

I could be wrong, but I'd see survivor bias as "at the end of the day, everyone still in the game reports their results", not acknowledging that those doing really poorly might walk away from the game.

reply

piffey 2 hours ago [-]

There's also the saying though of "buy when there's blood in the streets, especially if it's your blood". All got to go up sometime. Just how much capital do you have to wait out the drop?

reply

tbrock 1 hour ago [-]

He’s not wrong but remember “the markets can remain irrational longer than you can remain solvent” -- ancient financial proverb

reply

ethbro 1 hour ago [-]

That was coined for investment capital that comes with a cost. E.g. (in its simplest) borrowing money to trade with, and then having to make regular payments to maintain your positions.

Assuming you have no pressing needs for your invested capital (e.g. most retail investors), the market cannot actually stay irrational longer than you can remain solvent.

reply

isignal 38 minutes ago [-]

This is true for typical long positions but not for time based options. Some retail investors do buy those too.

reply

Nuzzerino 1 hour ago [-]

There's also the saying "Don't catch falling knives".

reply

swsieber 1 hour ago [-]

> All got to go up sometime

Well, the companies that don't go bust.

reply

Finnucane 1 hour ago [-]

>All got to go up sometime.

Why?

reply

ethanbond 1 hour ago [-]

Well, it doesn't *really*, but if it doesn't then it won't matter much where your money is.

reply

wsc981 1 hour ago [-]

I view it as such: do you believe we have achieved peak efficiency with regards to production of goods and providing services? If not, there’s room for the economy to grow.

I am not an economist though, this is just my layman’s view.

reply

whatshisface 1 hour ago [-]

We're not near any fundamental limits on growth. They exist, but the economy can get a lot bigger before it hits them. I have heard some really daft arguments about it ("the observable universe is finite!") and some less daft arguments ("resource shortages are more likely than asteroid mining within our lifetimes") but all of these predictions are for things a long time in the future.

reply

Finnucane 1 hour ago [-]

Or even "our political economy is managed by corrupt morons who would rather see the world burn than deal with our actual problems."

reply

reroute1 1 hour ago [-]

Just because you aren't at the limit doesn't mean that it will go up though

reply

whatshisface 54 minutes ago [-]

Yes, it does. All of the processes that have driven growth in the past are still working, and they will until they reach their limits. That's what it means for them to have limits. Why would people stop engaging in economic activity while it's still possible to do so?

reply

▲ nightski 1 hour ago [-]

At the very least wouldn't inflation cause an upward trend even if small?

reply

▲ arez 2 hours ago [-]

"never catch a falling knife"

reply

▲ PaulHoule 1 hour ago [-]

That's a slogan of pro traders who have three problems:

(1) They trade on margin, so huge drops are much more dangerous to them

(2) Their boss sees a Profit & Loss for the trading day that evening, if they don't like what they see they might give their portfolio to somebody else.

(3) Customers are calling the sales desk and they want to sell; hopefully sales can slow them down, but you may need to sell to pay for redemptions. Many customers may need to sell to rebalance their portfolios, get liquidity, etc. This is a mechanism which can carry instability from one market into another one which would otherwise be doing just fine.

reply

▲ organsnyder 2 hours ago [-]

When my wife and I bought our first house in 2006, the prevailing wisdom was that real estate was an incredibly safe (if often conservative) investment. Then 2008 happened. From that experience, I've decided that I will never invest in a market I don't understand.

reply

▲ thomascgalvin 2 hours ago [-]

That's the beauty of long-haul investing, though. Two years is nothing in terms of an investment strategy, and real estate, along with pretty much everything else, has rebounded since then.

There are a handful of hyper-geniuses that can make gobs of money by actively trading. For the rest of us, there's buy and forget.

reply

▲ Finnucane 1 hour ago [-]

We bought our house in 2009. It was kinda scary--there was no telling when the recovery would come, and I was working a temp job that ended the day we signed papers. But we had been saving for a downpayment for several years--by 2005 or so it was clear that the Great Bubble was going to end very badly, so we just hunkered down in our crummy tenement apartment and waited it out.

reply

▲ Cthulhu_ 1 hour ago [-]

Hyper-genius or lucky bastard that is recognized for survivorship bias?

reply

▲ thomascgalvin 1 hour ago [-]

The lucky bastards are the ones selling get rich quick schemes. The hyper-geniuses are the ones keeping their mouth shut and managing the Harvard Endowment.

reply

▲ lozaning 42 minutes ago [-]

Those who know dont tell, and those that tell dont know.

reply

▲ piffey 2 hours ago [-]

So you're never investing then? The market's a wild, unpredictable beast.

reply

▲ teekert 1 hour ago [-]

So what you are saying with a lot of words "The Future is uncertain" ;)

reply

▲ egdod 2 hours ago [-]

Investing money that I don’t anticipate needing for decades, I’m happy to keep buying all the way down.

reply

▲ dhosek 2 hours ago [-]

That happened to me when I bought my first house.

reply

▲ scandox 45 minutes ago [-]

I remember the drugs company Elan[1] here in Ireland. It got hit bad in the early noughties by accounting issues and other problems, but they had this potentially killer drug called Tysabri and so, as they tanked, there were "smart" investors at every drop buying in and it just kept dropping and kept dropping. Loads of fairly smart people lost a lot of money. Only those who could really follow it all the way to the bottom were ok.

The high was $74 per share. The low was about $2 a share.

[1] https://en.wikipedia.org/wiki/%C3%89lan

reply

▲ otras 23 minutes ago [-]

Apologies for the unrelated comment, but is “noughties” a common term for the 2000-2009 decade?

I’m on the East Coast of the US, and though it makes sense, I haven’t seen it before.

reply

blantonl 2 hours ago [-]

Yep, that's me. I'm pissed that my trading platform is completely hosed this morning.

I want to be on the other side of a LOT of trades today and I'm unable.

reply

xenocyon 1 hour ago [-]

I hear this sentiment repeated a lot, but is there any evidence that this kind of "reverse" active managing works better than passive investing?

reply

clSTophEjUdRanu 2 hours ago [-]

Stocks are on sale!

reply

DataWorker 2 hours ago [-]

Maybe it is irrational buyers who are getting the benefit this time. A lot of unknowns right now. Past performance does not always predict future gains.

reply

jlj 2 hours ago [-]

There's a buyer for every seller.

reply

capableweb 3 hours ago [-]

Seemingly this is the strategy of many Bitcoin exchanges as well, as every time Bitcoin price is going down, mysteriously Coinbase is having issues with their systems.

reply

LeonM 2 hours ago [-]

I just happened to have watched The Big Short [0] yesterday.

In the movie (based on real events) the same thing happened: during the housing crash suddenly every bank had 'technical issues' when people tried to sell their stocks.

[0] https://en.wikipedia.org/wiki/The_Big_Short_(film)

reply

globuous 2 hours ago [-]

Indeed ! If I remember correctly though, they had difficulties only until they sold all their crap (hence lying to their clients by selling them crap as gold). Once they were freed from their toxic assets, they "allowed" everyone to sell. What a world we live in.

Disclaimer: I'm not in finance, don't know much about it, but it's what I understood while watching the movie ;)

reply

raducu 2 hours ago [-]

This is such an underrated comment!

Yeah, right, it's so nice platforms prevent people from selling, just as the big fish unload their own stocks.

reply

paulmd 2 hours ago [-]

That's the point of cryptocurrency though: a financial world unencumbered by those annoying regulations that protect the buyer. No takebacks.

Reality is the regulations on the financial system are a *feature*. Being able to have charges reversed if I get my card skimmed and someone makes a bunch of charges is a *feature*. Being able to get my money back if the seller ships me broken goods (or nothing at all) is a *feature*. Having regulations on banks front-running their customer's transactions is a *feature* (one that Robinhood unfortunately gets around somehow). Having regulation on securities not being scams is a *feature*.

reply

AnthonyMouse 58 minutes ago [-]

> Reality is the regulations on the financial system are a *feature*.

As with anything, the answer is *sometimes*.

You want those rules for your retirement account, because if someone can steal a six figure sum from you instantly with no takebacks, that is *bad*.

But the overhead of that system is not always required, and it's the major reason that we don't have e.g. micropayments. The overhead of allowing transactions to be reversed eats the entire transaction amount for very small transactions.

So it would be good to have a system where you could, for example, transfer $50 into it from your bank account, wait the month or so until the transaction can no longer be reversed, and then transfer it from there a few pennies at a time with insignificant transaction costs because the small transactions are instantaneous, anonymous and can't be reversed. Which isn't nearly as problematic because even if you get scammed, your loss is limited to the $50 you put in. Instead of getting wiped out, you pay a reasonable cost for a personal lesson on security and trust.

And there is no reason we couldn't have both. Then you keep the bulk of your wealth in the inefficient safe system and some petty cash in the one with lower transaction costs and get the best of both worlds. But the existing rules don't allow that, which is bad.

reply

andybak 2 hours ago [-]

Marvelous film. Have you seen Margin Call? That's possibly better in my view (although I watched them several years apart)

reply

steveklabnik 2 hours ago [-]

This happened to me when BTC was at its all-time high; I tried to sell and Coinbase wouldn't work, and my support ticket was never answered.

reply

ethagnawl 2 hours ago [-]

Same here. I don't remember the details, but I had BTC (transferred from local wallet) stuck in some unexplained "pending" state for more than a week and Coinbase support was nowhere to be found. Thankfully, it was eventually resolved and that was the end of my BTC adventure.

reply

paulmd 2 hours ago [-]

One of the problems with Bitcoin is that there is a finite and fairly low limit of transactions that can take place per block. You have to get the bitcoin onto an exchange before you can trade them (and it is not recommended that you *leave* them there due to risk of scams/hacking) and during a time of crisis everybody else is trying to move their coins to the exchange too.

This means that transaction fees spike to 10-100x their normal rate during those crises, or else your transaction just sits and takes a week to get confirmed (if it ever does at all - eventually it will just time out after a few weeks).

reply

kissickas 2 hours ago [-]

This is why I will never use a centralized exchange again.

reply

seibelj 2 hours ago [-]

Everything seems to be going well this time around, huge volumes across the board.

reply

xiphias2 2 hours ago [-]

The reason is quite simple: they are using Ruby on Rails internally for many parts of the system.

As much as I love Rails, it's extremely hard to scale an application written in it to handle millions of users. All the Active Record transactions have to be rewritten as database transactions if you want to make sure that the databas doesn't lock the tables for a long time.

reply

bonyt 1 hour ago [-]

Business Adventures has a similar anecdote, referring to the 1962 crash:

> "Other firms were less fortunate, and in a number of them confusion gained the upper hand so thoroughly that some brokers, tired of trying in vain to get the latest quotations on stocks or to reach their partners on the Exchange floor, are said to have simply thrown up their hands and gone out for a drink. Such unprofessional behavior may have saved their customers a great deal of money."

reply

SilasX 51 minutes ago [-]

Alternatively, what about something like,

"Oh, hey, we saw your message but we were just too overwhelmed to execute it. We *did* however, manage to do the next best thing, which was to purchase an option, expiring today, to sell at the prevailing price at the time of your call, and, to make things right, we'll go ahead and exercise that option, unless you'd prefer we just debit you the cost of the option and let it expire without exercise?"

'Debit! Debit! Just debit!'

reply

frandroid 57 minutes ago [-]

That's amusing, except that the first failure was during a market *rally*...

reply

dmix 8 minutes ago [-]

That is mentioned in the article shortly after this quote...

reply

searine 2 hours ago [-]

This was true of stocks, but if you are holding options or other derivatives which are time-dependent then a market being closed is worse case scenario. RH is largely known for their options trading after all.

Not being able to exit these high-risk positions won't just bring your account to zero, but potentially put you in the six-figure negative if you are unlucky.

reply

ajross 2 hours ago [-]

That's not insight, that's malpractice. I mean, maybe the customers *are* wrong. But the broker's desire not to execute sell orders and feed a panic is absolutely self-interest, and if they're wrong (and they often are! We had a similar panic just last week that turned out not to have been "the bottom"!) then they've deliberately hurt their customers to try to protect their position in the broader industry.

And that's bad. And it's the kind of behavior we tend to see at these overheated moments where the market has gotten away from the fundamentals and all the players are trying to find "tricks" to keep the gravy train rolling.

reply

totalZero 1 hour ago [-]

I don't know a single broker or sales-trader who would intentionally reject orders from a well-meaning customer. Brokerages make money on commissions and order flow when customers trade. The author of this Bloomberg opinion article has a kind of wisenheimer sense of humor and is playing fast and loose with his comments, in an attempt to make a point about the nature of panic.

Failure in moments of market stress is the worst way for a brokerage to protect its position in the broader industry, because downtime damages customer confidence (long-term income) in addition to reducing order flow (short-term income).

Order flow is more valuable in moments of extreme volatility because spreads widen when the market goes nuts.

reply

Frost1x 2 hours ago [-]

As interesting and potentially valid the conclusion presented may be, you should assume you can reasonably control your assets at any given time.

Let people sell, that's on them.

reply

totalZero 1 hour ago [-]

You should not assume that you can reasonably control your assets in moments of volatility. You may not be able to control them at all.

Market access is a major component of liquidity. If your broker already holds a phone in either hand, he won't be able to pick up your line when the light next to your name flashes.

Imagine that you have all of your liquid net worth in GLD and a huge cholera outbreak hits lower Manhattan. Bad shellfish. GLD rallies and you want to close your position and take profits. The problem is, the largest firms that make markets electronically on GLD have sent their employees home and shut down for the week. Their absence from the market makes it difficult for you to get a fair price for your large position.

Imagine that you use Verizon for your mobile phone and internet service. You think their service is great, so you buy shares of VZ. One day, Verizon announces that due to a malicious hacker, their network is experiencing cascading nationwide hardware failures that will not be repaired for at least a week. VZ stock plunges, but you can't modify your position because you can't get on the internet or make calls.

A less fanciful example would be owning stock when trading has been halted by the exchange. Perhaps there exists a buyer during the halt who would be willing to trade at a price that is favorable to you, but that transaction cannot happen.

Tail risk, in some cases, is a scenario where stocks get cheap. In other cases, stocks can't trade at all. (And in the worst of situations, tail risk is a scenario where guns get expensive.)

reply

▲ Frost1x 1 hour ago [-]

I'd consider all of those example cases where it's not necessarily reasonable to control your assets. I will say the Verizon case is a bit fanciful because it should be pretty easy to hop on another network quickly for most people to bypass that small hurdle...

When we're talking about an enterprise scale electronic trading system that should already have tested these sort of load scenarios, especially in a world where AWS/Azure/etc. exist and elastic computing is the target roll out for applications that probably don't even need scaling, that's *not* a reasonable case. That's a case where something that should already have been planned for and tested thoroughly slipped by. It's especially damaging when it happens repeatedly over a short time span. There's nothing unpredictable here. Management and IT at Robinhood surely read the news and knew there would be massive load today.

Surely, someone designing systems and software in this domain understand that the market could be highly volatile and their system needs to be ready for those cases where it's flooded by customer requests or clearly conveyed to customers that it's not ready for such cases.

reply

▲ totalZero 1 hour ago [-]

Robinhood operate on razor-thin margins and if you just look at where three-month implied vols were trading in early Jan, we are in a 7-sigma event. To be fair to Robinhood, it is probably hard to anticipate and prepare for such an event when you're not charging commissions. They are not the only brokerage that has had problems in the past seven days. And they lose money when their customers can't place orders.

"You should assume you can reasonably control your assets at any given time." Sometimes you can't reasonably control your assets, because you can't control them at all. So you shouldn't assume that you can reasonably control them in those times.

I hope it is clear that I am not trying to be argumentative; I actually think it's a complete let-down that Robinhood has left so many people frustrated as their wealth whip-saws around in the market. I'm just saying that tail scenarios don't usually fit into our predictive model of what's "reasonable," even when the solutions seem crystal clear in retrospect.

reply

▲ dehrmann 1 hour ago [-]

One of the arguments for real estate being a good investment is it's harder to sell.

reply

▲ rococode 3 hours ago [-]

Wow... Being down once - OK, it was record-high volume, servers were strained. Twice - well, it was only a day after the first time and it takes time to fix these things. But a third time, nearly a week after the first incident (and once again on a volatile day where users stand to gain/lose a lot of money)? Really hard to think of any acceptable justification for that.

reply

▲ Traster 2 hours ago [-]

The simple answer is that the reason the system failed the first time wasn't easy to fix in the short term. Either they need to acquire more hardware resources or redesign some system so that it scales better. Not everything can be fixed overnight. Take a look at reddit - that's a website that collapsed repeatedly for months and months and months. Sometimes it's not something you can just 'fix'.

reply

▲ CaptainZapp 2 hours ago [-]

I'd argue that the consequences of reddit not being available for a certain amount of time are absolutely not comparable with a financial services' firms infrastructure.

Mistakes, any mistakes, are very hard to excuse when people, or other financial entities happen to lose money.

Comparing it with a site like reddit is, frankly, a bit disengineous.

reply

▲ dpcx 2 hours ago [-]

Consequences, no. Infrastructure failures, absolutely. What's being hosted isn't as important when it's broken and you're struggling to fix it. Sure, when it's a financial service's infrastructure, you're worried about other peoples money, but it's still something that's broken and may take time to fix.

reply

▲ manigandham 2 hours ago [-]

Robinhood is nothing like Reddit. It has a much bigger valuation, more resources, strict regulations to follow, and the responsibility of safely handling money for millions of people. This should be fixed within days even if it means redesigning the entire system.

The last blog post blamed overloaded DNS so it doesn't seem like a major architectural problem, which is why it's surprising that they're down again.

reply

▲ yibg 11 minutes ago [-]

Being in a regulated environment with lots of peoples money should make it harder and take longer to redesign and implement anything. I don't see a complete redesign of a non-trivial part of a trading platform happening in a week.

reply

▲ swsieber 1 hour ago [-]

> strict regulations to follow, and the responsibility of safely handling money for millions of people. This should be fixed within days even if it means redesigning the entire system

Somehow, in my mind, the responsibility of safely handling money of millions and redesigning the entire system don't really mix. Ditto for strict regulations and redesigning the entire system.

reply

▲ SkyPuncher 2 hours ago [-]

Also, Reddit can afford to queue and buffer like crazy.

Nearly every write-action on Reddit appears to hit a queue. If your vote or comment doesn't go up for 30 seconds, that's not a problem.

If your trade takes 30 seconds, that could be a huge deal.

reply

▲ nightski 2 hours ago [-]

If they KNEW it was broken and were working on a fix, then they should of shut down the service. I'm sorry but this is simply unacceptable. I don't use Robinhood, but when you are handling very time sensitive contracts that can make or lose people a lot of money in a very short period of time if the service is not stable it should not of been in operation until it was fixed. I can't believe HN is making excuses for this.

reply

▲ usefulcat 2 hours ago [-]

If they do that, then they're definitely harming any customers who have a position they need to get out of, as opposed to only potentially harming them.

reply

▲ nightski 2 hours ago [-]

That's exactly what is happening right now anyways. Except in the past week many new positions were opened on a broken platform.

If this was Wells Fargo we'd see the pitchforks. But it's a SV company so all is good.

reply

▲ usefulcat 1 hour ago [-]

If you believe that the platform is so broken that it shouldn't be used (and I'm not arguing against that, btw) then a more reasonable solution would be to only allow position-reducing trades. That would also reduce overall trading volume on their platform.

Not that I expect them to do any of this, just pointing out that 'shut everything down' is not necessarily the best approach.

reply

▲ blantonl 2 hours ago [-]

Cloud computing resources are nearly limitless.

Provision the resources and take the financial hit in costs.

If your architecture wasn't able to scale horizontally because it was poorly designed, heads should roll. This isn't some social network - these are financial platforms where literally the individual customer is financially dependent.

Heads. Should. Roll. Tell us the post-mortems, and then tell us who got the boot. Completely unacceptable.

reply

▲ MrStonedOne 2 hours ago [-]

The only company in the world who can claim to have made a perfectly horizontal system at all levels of macro and micro is amazon, and even they would be lying to do so.

A system like robinhood can have hundreds of moving parts, if 99 of them are horizontally scalable but 1 is not, eventually that 1 piece will become the bottle neck, and the fact it hadn't been made horizontally scalable yet is more likely to be a testament to how much work would have to go into doing so.

> Heads. Should. Roll. Tell us the post-mortems, and then tell us who got the boot. Completely unacceptable.

This is an unfortunate viewpoint. How quickly did we forget that robinhood is literally providing a service that no other company was able to do before. You want 100% uptime, you won't find it in an online service, let alone an online fee free service, you'll find it on the floor of the exchange.

reply

▲ manigandham 57 minutes ago [-]

All brokers were able to do it, they just didn't because commissions were easy profit and there was no competition.

$0 commissions aren't a big deal either. If you just buy and hold, it makes no difference. If you trade actively then a real broker with better tech and order management is worth way more than the fees.

reply

▲ dodobirdlord 1 hour ago [-]

> The only company in the world who can claim to have made a perfectly horizontal system at all levels of macro and micro is amazon, and even they would be lying to do so.

Haha, true. Call up you AWS account representative and you may find that certain service limits can't be increased for love or money.

reply

▲ dehrmann 1 hour ago [-]

> a service that no other company was ~~able~~ willing to do before

ftfy

reply

▲ oefrha 2 hours ago [-]

If you're limited by database throughput and can't scale further, throwing more hardware into the mix doesn't help.

reply

▲ hombre_fatal 2 hours ago [-]

If you horizontally scale all the way, you just take on different issues like CAP theorem trade-offs. Financial book-keeping is a hard thing to scale and all it takes is a single component that cannot, like the transactional bedrock of your system.

reply

▲ yushuf 6 minutes ago [-]

Just use Google Spanner

reply

lm28469 3 hours ago [-]

This is a good reminder that all these new mobile(brokers|banks|&c.) are not as good as the historical systems that have been stress tested for decades. All is good when everything works as expected but as soon as the slightest issue arise you're in for a ride.

reply

dx87 2 hours ago [-]

That's what I think of every time I see a post about some new VC backed startup that says they are going to disrupt an industry by creating a lean product that cuts out all of the unnecessary cruft and legacy systems. People need to learn that there's usually a reason something is done a certain way, and having barrels of VC money doesn't make you an expert in a field.

reply

greenhatman 2 hours ago [-]

Sometimes the reason it's done that way, is because they were in a rush in the first iteration, and never got around to refactoring.

Loads of VC money means you can take more time up front to architect things better. Maybe have more experiences engineers and architects on the team from the start.

reply

papito 13 minutes ago [-]

Not really. VCs expect 10x returns. Yesterday. They really don't care if it's the best system ever designed. It just has to work until a liquidity event.

reply

naskwo 2 hours ago [-]

https://en.wikipedia.org/wiki/Wikipedia:Chesterton%27s_fence

reply

brain5ide 2 hours ago [-]

Pasting this has recently become a meme. Not sure it applies here, as it's not about removing stuff from the same instance, but about a competitive lean product?

Innovators dilemma?

reply

vikramkr 2 hours ago [-]

It's about removing legacy systems and pretty directly about reforming xyz industry with the new tech, so I think the principle of reform requiring knowing why something you want to get rid be of is there in the first place is directly related to the topic

reply

salawat 1 hour ago [-]

A quirk of information propagation. If it's there, it was put there for a reason. If you don't understand the reason, you're at risk of having to rediscover it the hard way; something we generally wish to avoid at all costs.

Which is somewhat ironic considering the attitude around things like Trade Secrets leading to a plethora of Chesterton's Fences being basically guaranteed to litter the economic landscape.

reply

robjan 2 hours ago [-]

Ultimately, RH is backed by a legacy system somewhere. I believe they custom built their OMS (order management system) which was the previous bottleneck but somewhere between RH and the other side of the order is a legacy system that they can't disrupt.

reply

dannyw 2 hours ago [-]

To claim that RH would outscale NYSE, NASDAQ, and market makers like Citadel and Renaissance Technologies is absurd.

It's like saying Airbnb is taking down root level DNS servers.

reply

dehrmann 1 hour ago [-]

> Renaissance Technologies

I didn't realize they were a big player in this game. Citadel definitely is, though.

reply

manigandham 1 hour ago [-]

RH doesn't fill anything, they only forward orders. All of the exchanges and other brokers are up and running just fine.

This is strictly an RH problem. Their last blog post said it was a DNS problem.

reply

robjan 1 hour ago [-]

Fully aware of that. RH don't even directly connect to the exchange, they use a third party execution broker.

Since all securities are affected, it probably actually is their OMS which is malfunctioning.

reply

yumraj 2 hours ago [-]

If that were true, why are other equity trading systems, and by that I mean every other trading system, doing fine?

The problem is RH itself.

reply

jeffshek 2 hours ago [-]

This might be slightly unfair to Robinhood ... the time we saw volatility similar to this was in 2008. Most of the major banks had technical difficulties that day (despite being around for decades of years).

Technology and scaling are tough. Reddit, Twitter and CloudFlare have gone down in the last 12 months, despite being constantly stress-tested.

reply

CaptainZapp 2 hours ago [-]

Comparing social media sites with a financial services firm is not really a valid comaprison.

Especially not when this happens for the *third time* in a row.

reply

behohippy 2 hours ago [-]

My direct trading account at my (very) old bank is also saying it's having technical difficulties today. It sounds like display issues, not trade execution issues though.

reply

geerlingguy 2 hours ago [-]

I know Fidelity changed their default dashboards to not load data-heavy views for the past week or two. Usually you get a nice dashboard page with some charts and personalized info, but right now you get a few generic (non-customized) market stats and a bunch of generic links.

Still useful enough, and if you want, you can get to your own dashboard... but things like this (inconsequential as they seem) can be the difference between going down or not.

Each non-personalized element on the page that's removed saves at least one DB query (and in a fancy app like Robinhood's case, maybe a half dozen).

reply

dirtydroog 2 hours ago [-]

Well, market circuit-breakers are being triggered all over the world. I doubt anyone would be able to trade even if they could log in.

reply

throwsprtsdy 1 hour ago [-]

I get the impression that the people running Robinhood actually don't understand how difficult it is to implement what they want to offer, both on the reliability side (outages) and on the logical side (infinite margin).

reply

dehrmann 1 hour ago [-]

This is pretty interesting for capacity planning. I worked at a minor ecommerce company when Black Friday was still a big deal. In the month leading up to it, we went into code freeze and made sure all our systems can handle added load.

What Robinhood is facing is like that, but with no notice. It means they ~always need to be ready for a 4x(?) increase in load.

reply

zachware 1 hour ago [-]

What sets financial services apart when they fail is the extreme legibility of the losses. One can argue that if say Reddit is down, they have losses, but measuring the impact in terms of dollars lost is difficult.

It's a lot easier with something like Robinhood. So, ethics aside, the level of measurable risk they have now is existential. Lawsuits will flow.

reply

AgloeDreams 2 hours ago [-]

I would imagine the volume differential scale is massive here, they probably are scaled at 1X peak, so they are capable of handling ~3X peak.

They are probably at ~10X peak traffic at times.

Just are not prepped for a hardcore crash.

reply

chisleu 2 hours ago [-]

Looks like they had a bug w/ leap years and load.

reply

shawnz 2 hours ago [-]

The issue a few days ago was not related to the leap year. That was only a theory at the time. They have since claimed it was a DNS issue.

reply

neuronic 1 hour ago [-]

I would not be surprised if many trading places have been told to shut down temporarily.

[1] https://www.ccn.com/dow-crashes-so-hard-might-close-stock-ma...

[2] https://www.businessinsider.de/international/stock-market-ne...

[3] https://www.bloomberg.com/news/articles/2020-03-08/rout-in-u...

reply

manigandham 1 hour ago [-]

The market makers and exchanges stop executing orders because a series of circuit-breakers fired (set by the regulating organizations).

Robinhood and other brokers don't execute any trades, they just forward orders from users to their exchange partners and show up to date quotes. They have a much easier load to bear than actual exchanges.

reply

IAmEveryone 1 hour ago [-]

That’s about a set of specific, known “circuit-breakers”. They shut down trading at the actual exchange, not “ask trading places“ to do so.

reply

manigandham 1 hour ago [-]

Robinhood blamed their DNS system being overloaded last time [1]. Also RH (and other brokers) only show quotes and forward orders with some basic calculations to their exchange partners. They should not be anywhere near the same load as the exchanges. All this points to major architectural problems at the company.

1. https://blog.robinhood.com/news/2020/3/3/an-update-from-robi...

reply

dmix 40 minutes ago [-]

That was a pretty weak explanation, only a single sentence referencing the actual technical issue with some stuff about it causing some knock-on outages elsewhere:

> We now understand the cause of the outage was stress on our infrastructure—which struggled with unprecedented load. That in turn led to a “thundering herd” effect—triggering a failure of our DNS system.

I was planning to wait for the post-mortem because I dislike speculating and I'm not personally invested here, so I prefer to wait. I'm curious when they'll release the full one because it's going to be one of the most interesting ones in a while, given the large scale of the failure and potential implications... (ignoring today's outage)

reply

▲ gadnuk 3 hours ago [-]

It's always been either completely down or having a huge lag in executing orders at market open for the last 6 business days. That leap year bug was a hoax. Robinhood just can't scale under heavy load.

I wonder if people will leave the platform en masse to alternatives as most brokers have no fees on trades these days.

reply

▲ johannsg 1 hour ago [-]

I did just that early last year when I realized that they simply don’t have the infrastructure, support personnel or sense of urgency I needed from a broker to handle my money. This is pre-free trades — I decided that I rather pay a fee than roll the dice on when they’ll clear trades and bank transfers (in one instance an ACH took 2-weeks, with canned messages from support).

reply

▲ packetlost 2 hours ago [-]

The company never said their downtime was related to the leap year afaik, that was some random twitter thread looking at requests on their browser that had datestamps from the future (which could have other explanations). Unless they're rolling their own date library (which is very unlikely), the code should be using the system time of whatever computer the software is running on, meaning it would be *extremely* unlikely that the leap year caused a bug.

You are correct in that it's more likely their system just can't scale.

reply

▲ buckminster 2 hours ago [-]

Surprisingly, last week's outages didn't drive their customers away. They still have enough demand to crash their systems. Inertia is powerful.

reply

▲ rajnathani 1 hour ago [-]

It takes a few days to transfer money from your Robinhood account to your bank account.

reply

▲ ryanSrich 2 hours ago [-]

Are there RH competitors? Same level of easy tech, free trading, etc?

reply

▲ philipkiely 2 hours ago [-]

Almost all discount brokerages now offer commission free trades

reply

▲ wocram 2 hours ago [-]

But not for options trading, which is the main allure.

reply

▲ wasdfff 38 minutes ago [-]

Its only like 60 cents per contract on think or swim. If that makes or breaks you, pull your $7 out of the market and stop trading.

reply

▲ xenospn 2 hours ago [-]

Something tells me Robinhood users will abandon stocks altogether after this week.

reply

▲ smachiz 2 hours ago [-]

Why trade stocks when you can trade OPTIONS?

reply

▲ Gunax 2 hours ago [-]

I never understood the appeal of using a telephone to trade one's life savings anyway.

reply

▲ noirbot 2 hours ago [-]

I don't see how it's worse to do it on a phone than your laptop, or over the phone with a broker via a voice call?

Most folks I know who use RH just use it as a fun little side gamble/game. Small-ish amounts of money, something they could afford to lose, with the rest in more stable funds or investments.

reply

▲ SpicyLemonZest 1 hour ago [-]

I agree, both that that's my experience and that it's the right way to use RH. But then that means this isn't exactly an existential crisis; if you can't run your side gamble during some periods of high market volatility, does it really matter?

reply

▲ noirbot 1 hour ago [-]

On one hand, now is a fun/important time to be messing with your side gamble. It'd be like if a betting site went down the day of the Super Bowl. If you're just using RH to gamble and day-trade, periods of high volatility are some of the most fun times to be actively trading!

On the other hand, I don't really care. I'll be fine. Most of the folks I know who use RH are just joking about it being down. It's annoying, but no one's broken up about it. A lot of the folks casting their anger at RH seem to be folks who already dislike it and probably don't use it?

Professional or large-scaled investors with large sums invested probably aren't using RH for a lot of reasons even before you get to the downtime issues.

reply

▲ guiriduro 2 hours ago [-]

Personally, I never understood the appeal of holding corporate fiat paper however it was transacted.

reply

▲ IAmEveryone 1 hour ago [-]

Yeah, but that’s just because you have trouble grasping immaterial concepts, and also object permanence.

reply

▲ unethical_ban 2 hours ago [-]

Because that can turn into federal fiat money used to buy food, save for retirement or go on vacation.

reply

▲ blantonl 2 hours ago [-]

Merrill Lynch / Bank of America's trading platform is also down... so this isn't limited to Robin Hood. I was completely unable to place any trades or even check balances during the market opening this morning.

However, engineering HEADS SHOULD ROLL. In the era of on demand computing, near limitless cloud resources, etc, these engineering teams should have already had capacity planning ready to go for these trading platforms. I'm extremely disappointed - these engineers LIVE for this stuff, and they dropped the ball.

Again, heads should roll. This is not some data center that caught fire, this is capacity planning at its lowest common denominator.

reply

▲ avvt4avaw 2 hours ago [-]

The market hit a circuit breaker this morning when it was 7% down. No one could trade at the open, not even professionals, because the market was stopped.

reply

▲ Frost1x 2 hours ago [-]

That doesn't seem to be the reason Robinhood is having issues.

I don't know if it was the case for the two other platforms OP mentioned but Robinhood seems to have some issues handling the request volumes.

reply

▲ blantonl 2 hours ago [-]

No, I couldn't event place any orders whatsoever, and couldn't check balances etc. Order PLACEMENT and order execution are two different things. The former was impossible as well.

reply

▲ city41 1 hour ago [-]

Designing a real time system to scale to this magnitude is not easy at all. I wonder how many engineers would be capable of designing such a system, I sure couldn't. This isn't like most scaling where delaying/queuing can be an acceptable trade off.

reply

▲ wasdfff 36 minutes ago [-]

Maybe they shouldn’t be in business if they can’t hire the engineering to do the job. Every other discount broker seems to have no problem hiring this level of talent.

reply

▲ sf_rob 1 hour ago [-]

Agree that heads should role, but it may very well be management decisions that brought them to this point. We don't know if engineering was resource/strategically limited (seems unlikely at a well funded startup but it may have been). Having worked places where terminations were the result of failures, it's not always the party most responsible that is let go.

reply

▲ papito 1 hour ago [-]

Sometimes engineers are not at fault. They are well aware of technical debt and possible performance mine fields. It's the management that does not properly prioritize performance and scale work because there is no apparent "value" to the customer. Until it's too late.

reply

▲ jetru 1 hour ago [-]

Bad idea. You would be just rolling heads of people who just learnt a valuable lesson in high throughput services. Keep them around, they'll get better than hiring someone else who will have to spend more time learning the same lesson.

reply

▲ throwaway3157 2 hours ago [-]

> In the era of on demand computing, near limitless cloud resources

Should be pointed out that BoA decided to build their own "cloud"

reply

▲ simplecto 3 hours ago [-]

I have empathy for the engineers there. Here's hoping they get the resources and support they need.

After vents like this juniors turn into seniors, seniors into VPs, and VPs going on sabbatical.

reply

▲ nathanaldensr 3 hours ago [-]

The leap from senior developer to *vice president* is a lot further than you're implying... *a lot* further.

reply

▲ capableweb 3 hours ago [-]

In startup land, a junior developer is another startups senior developer, and same applies to senior developer <> VP. Simply down to what the startup you're working at. Might not be that far.

reply

silverdemon 2 hours ago [-]

In the big-name Wall Street banks 1/3 of employees are VP or higher.

Senior Developer in the "outside world" typically means Associate in the banks, and VP is the next rung up from Associate, so VP really is just one hop from Senior Developer.

Just how they do things there.

reply

JoeAltmaier 2 hours ago [-]

The simple way to get a job like that, is to apply for it. Instead of waiting for someone to retire in your current company for instance.

And its not unheard of. My sister-in-law worked from startup contributor to Cisco VP by applying for the next job up, one at a time, from company to company.

reply

georgyo 2 hours ago [-]

In most financial companies, the next step up from senior developer is VP.

reply

ineedasername 2 hours ago [-]

What sort of VP, IT/Development?

reply

dhosek 2 hours ago [-]

It's just a weird financial thing. Everyone gets to be a VP. I was actually a bit embarrassed by having the title when I worked at BofA. It's not even a manager level. I was what would be a senior developer anywhere else.

reply

blntechie 2 hours ago [-]

VP is just a fancy title for Manager in financial institutions so people feel better.

reply

gberger 2 hours ago [-]

https://en.wikipedia.org/wiki/Vice_president#Use_in_financia...

reply

ThisIsTheWay 3 hours ago [-]

This is the 3rd system outage in the last week.

https://techcrunch.com/2020/03/03/robinhood-outage-cause/

reply

msluyter 2 hours ago [-]

I'd be curious to know the root cause(s) of their outages. I presume they're using Kafka as an event bus, based on their Faust library[1]:

```
  Faust is a stream processing library, porting the ideas
  from Kafka Streams to Python.

  It is used at Robinhood to build high performance distributed systems and
  real-time data pipelines that process billions of events every day.
```

I did some evaluation of various Kafka ingestion methods a while back (including Faust), and didn't find Python to be a great fit, so I'd be curious to know if that has anything to do with it.

[1] https://faust.readthedocs.io/en/latest/

reply

A4ET8a8uTh0 28 minutes ago [-]

Interesting. I was under , apparently wrong, impression that any real trading happens using C and C++. I had no idea it is Python behind the scenes.

Nothing wrong with Python in itself. It just feels like the wrong tool for the job.

reply

devmunchies 1 hour ago [-]

I had looked at their job board to see their technologies and saw heavy use of python. I know large systems can be built in python, but for financial services something more performant and safe probably would have been better. But who knows, maybe Robinhood would never have had the adoption its had thus far if it chose something else.

reply

cdiamand 2 hours ago [-]

I just wrote a post about /r/Wallstreetbets reaction to this. I graphed out comments for several different brokers over time, and also mapped how many users were holding SPY puts and got trapped.

https://topstonks.com/blog?post_id=robinhood_down_for_the_co...

Needless to say, people are definitely considering moving to other brokers.

reply

minimaxir 3 hours ago [-]

If a rise in the DOW was enough to shut it down due to load, a *massive fall* can't be much better.

See replies to Robinhood's tweet: https://twitter.com/AskRobinhood/status/1237016846282280961

reply

partiallypro 2 hours ago [-]

Does anyone have a good path forward of how Robinhood can even survive after this? Other brokers are not going down, and also offer free trades. I don't even see the point of it anymore, especially if it is going down in some of the most important market moments.

reply

Traster 1 hour ago [-]

I have a crazy strategy, but hear me out: They do nothing.

The vast majority of Robinhood's customers aren't day trading clamoring to get their daily dose of tendies. The proportion of RH's customers who are actually effected is probably quite minimal, and of those *some* might change to another broker, but most will probably just put up with it. The market isn't going to be this active for long, and so once it calms down RH will put in place some fixes for its systems. This will be forgotten after a couple of weeks, it'll perform better next time and it'll have almost no impact on RH's value.

reply

▲ jedimastert 1 hour ago [-]

Man, I picked a *hell* of a time to dip my toe into the investment game. I picked up a couple of reasonably wide Vanguard ETFs that seemed to be doing fine at the end of last year. I'm currently down 12%, and down 15% in the last month.

I suppose that's what I get. I realize that I should be looking at yearly data and I've only had them for a couple of months, but it's a little hard to look at.

Not to mention with all of the other RobinHood issues I want to move to another platform I'm already on (I've got an account with Schwab for work stuff and they seem fine), but general wisdom says to hold and let this craziness ride out.

reply

▲ glouwbug 51 minutes ago [-]

True, bad timing, but it doesn't matter, these are growth ETFs. You're gonna hold it for 30 years.

I say a 10% dip should be motivation for you to buy more of this ETF

reply

▲ marvin 1 hour ago [-]

Just start a monthly savings agreement. Presumably you've barely put in any signifncant part of your assets. You're much better off than someone who has $400k in the market and might need it soon.

In fact, starting your investment career during a 15% drop is great to inoculate you against panicking in volatile times.

reply

▲ trengorilla 1 hour ago [-]

It's a great time to start investing.

reply

▲ Waterluvian 1 hour ago [-]

Yep. I don't have a stomach for it. So I've invested my RRSPs into a few different index funds run by Wealthsimple and Tangerine. I literally haven't looked at them in a year. Short term performance is noise, not signal.

reply

▲ PhantomGremlin 1 hour ago [-]

IF: you believe in the long term future of the USA.

THEN: dollar-cost-average into the market. Put a fixed amount to work every month. This has been a terrific strategy over the last 50 years or more.

But, caution, you probably don't want to buy a few shares per month of a stock or an ETF in a taxable account. That's because each transaction is a separate taxable event when you go to sell. It would be a nightmare for you to track this yourself. I have no idea how well RobinHood tracks that for you.

If you are investing in an IRA then no worry. The transactions aren't taxable. Of course an IRA has its own problems. Outside of an IRA long-term capital gains are taxed at a lower rate than ordinary income. But when you withdraw funds from an IRA you are taxed at the higher rate.

A Roth IRA doesn't have those tax disadvantages. I've seen a lot of press lately on this issue. For example, in Oregon, the state itself is promoting Roth IRA investing for the "little people":

Participants saving through OregonSaves beneficially own and have control over their Roth IRAs https://www.oregonsaves.com

reply

▲ mbesto 2 hours ago [-]

And this is what happens when you live wildly on the brink of tech fantasy and tech brilliance.

I believe this will be Robinhood's undoing and the company will likely just firesell itself (less than $1B) to Schwab/TD so they can acquire the younger demographic.

reply

▲ thedance 2 hours ago [-]

FWIW, Charles Schwab is also down, and is often down during heavy trading. There's a big reliability gap between straight consumer brokers, and the next tier up with interactive brokers et al.

reply

▲ snicky 1 hour ago [-]

For what it's worth, IB is down for me too. I can log in, but the stock lookup doesn't work at all.

reply

▲ anon102010 2 hours ago [-]

This many incidents makes FINRA a joke. Time for some outside regulators to step in and require certain levels of availability with real consequences if not maintained.

See my earlier posts about staying away from RH.

reply

▲ mhb 52 minutes ago [-]

What's the appeal of Robinhood over, say, Fidelity? Is it for people who are making so many trades that the $7 or whatever commission is a big deal?

reply

▲ erichurkman 31 minutes ago [-]

The RH app is nicer for simple trades. From open, authentication, to trade can be just a few seconds. Fidelity app feels very heavy opening just to get to a trade prompt.

reply

▲ derision 38 minutes ago [-]

It's not even about large volumes. If I want to buy 1 share of a $15 stock and I have to pay a $7 commission, it's not worth it

reply

▲ decebalus1 48 minutes ago [-]

Not cool enough. In all seriousness, from the features/UI/etc.. Robihood seems to be aimed more at speculative trades as opposed to 'playing the long game'.

reply

▲ Insanity 2 hours ago [-]

I _kind_ of expected this after last time. I wouldn't want to be working there right now :o

reply

▲ capableweb 2 hours ago [-]

Why not? I think now would be the most interesting time to be working there, where you can learn the most in the smallest amount of time. You'd gain much more knowledge powering through the hard times rather than just coasting around for the easy ones.

reply

▲ untog 2 hours ago [-]

Yeah but what you’re learning is “how to not catastrophically fail your customers”. In a better company that’s a lesson you already learned. There is going to be a LOT of stress and tension, it's hardly a great learning environment.

reply

▲ dylan604 2 hours ago [-]

>In a better company that’s a lesson the *company* already learned.

FTFY. Just because you work at a company doesn't mean you were around to experience what ever event provided some sort of "learning" experience. If you don't experience it personally, what ever systems the company has in place to protect itself from said events just look like bloat/legacy cruft ripe for a young upstart to disrupt away.

reply

▲ jacobsenscott 2 hours ago [-]

If RH had any interest in being a sustainable business that respects their customers they would have hired engineers that have already been through the "hard times", several times, and don't need to learn on the job. But in startup land sustainable businesses are not the goal - customers be damned.

reply

▲ dubcanada 3 hours ago [-]

You figure they would have just turned the servers up to eleven.

At least in such a volatile time period.

reply

▲ eropple 2 hours ago [-]

It's pretty easy to find yourself creating bottlenecked points of failure in systems that expect consistency. There may not be the knobs necessary to scale up past a certain point.

A sufficiently bad positive feedback loop can also drive you into the ditch no matter how monstrous your hardware is.

reply

▲ jaredwiener 3 hours ago [-]

On an already volatile day: https://twitter.com/NYSE/status/1237009268181798913

reply

▲ dx034 3 hours ago [-]

Likely because of the volatility and the demand it caused.

reply

▲ iou 2 hours ago [-]

So not a "thundering herd" this time, eh?

https://blog.robinhood.com/news/2020/3/3/an-update-from-robi...

reply

▲ minxomat 2 hours ago [-]

Also, Trade Republic (Germany's Robin Hood) was partially down today because of a partial outage at HSBC. Seems like a rough day for trading.

reply

▲ nscalf 2 hours ago [-]

Oh, is it 10:45 am on a Monday already? After the first two days, I downloaded another broker and determined to transfer, but it's kind of a pain. Guess I have to actually do it now.

reply

▲ zelias 1 hour ago [-]

Not to don the tinfoil hat, but the simplest answer is that Robinhood can't afford to cover the consequences of a fire sale, so they take the app down and blame technical difficulties.

I have no faith that this company is operating in good faith.

reply

▲ dehrmann 1 hour ago [-]

> Robinhood can't afford to cover the consequences of a fire sale

They make *more* money when trading volume is high. What they can't afford is losing customers to either competitors or customers realizing day trading is a bad idea.

reply

▲ IAmEveryone 1 hour ago [-]

In what universe is such a theory of vast conspiracy simpler than their servers being overloaded on a busy day?

When people sell stocks on RH (or anywhere else) it’s not the broker paying the sales rate. So you’re alleging something like RH having fraudulently sold customers’ stock before?

And the market was moving the other way when RH also shut down last week. This would be the only broker in history that had its system set up in a way where they suffer with any trade.

reply

▲ papito 1 hour ago [-]

Wonder if it's the Python stream processing system that's bottlenecking:

https://github.com/robinhood/faust

reply

> humbleMouse 1 hour ago [-]
>
> Almost like you shouldnt write a trading platform using python!!! Maybe try an actually fast language like java?
>
> reply

altoidaltoid 23 minutes ago [-]

chuckles in CICS

reply

humbleMouse 1 hour ago [-]

What an absolute trashpile of a company. The devops people, cto, and archetects should be ashamed of themselves.

reply

yuy910616 3 hours ago [-]

Is it related to the forced shutdown?

reply

> SirLJ 2 hours ago [-]
>
> It is not, was just confirmed on CNBC that Robinhood is experiencing system wide issues long after the market reopened... Frankly, if I am an user of this platform, I'll get my money out first thing after the fix the access... If the can't keep the system running straight for so many days, who knows what other bugs they have over there...
>
> reply

Spooky23 2 hours ago [-]

Incredible that anyone is still using Robinhood! It's pretty obvious that it's a broker not long for this world.

reply

psvidler 1 hour ago [-]

Hilarious.

reply

jtdev 2 hours ago [-]

Again... WTF

reply

rolltiide 2 hours ago [-]

Look, we’ve been shitting on Robinhood for almost a decade

They don’t even come here to defend themselves and people still act surprised

reply

njn 1 hour ago [-]

Good. Fuck that startup.

reply

sergiotapia 2 hours ago [-]

wallstreetbets called it

reply

RIMR 1 hour ago [-]

lol, how convenient.

reply

chance_state 2 hours ago [-]

If their brokerage license isn't pulled after this, what does it take? C-Suite _literally_ setting customers' money on fire?

reply

> anon102010 2 hours ago [-]
>
> Isn't FINRA "self" regulatory in nature.
>
> reply

jariel 1 hour ago [-]

Robinhood is one of the reasons there's a crash in the first place. People trading stocks on the bus etc.. Heyzeus. None of these people are adding information to the market, they're just piling in with money and randomness.

This is the same frothiness I remember from the .com when ETrade etc. just became big and all these zillions of people who thought they were investing plowed their money in.

reply

> greenshackle2 1 hour ago [-]
>
> All markets worldwide are crashing and the cause is.. US discount brokers? Not, like, the ongoing pandemic?
>
> reply
>
> > jariel 1 hour ago [-]
> >
> > The pandemic is bursting the bubble, it's not the underlying cause of the problem. The conditions have been building for several years.
> >
> > In 2001, the bubble was burst finally by big shift in interest rates from the Fed, and some insane valuations which cause the smart money to run, causing a stampede.
> >
> > Most analysts have been raising red flags for a long time now. The market has been operating on hype and irrational good vibes for at least a few years.
> >
> > Warren Buffet started hoarding cash some time ago - long before the Coronavirus.
> >
> > Listen to Robert Shiller's interview earlier this year on the FT concerning 'narratives'. I don't think it's a new concept, rather just a modern articulation of it. The mania we're seeing is just a more extreme form of narrative.
> >
> > reply

codingslave 2 hours ago [-]

All those leetcode engineers RobinHood hired came back to bite them. This isnt web development

reply

Applications are open for YC Summer 2020